

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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YURMAN STUDIO, INC. and YURMAN DESIGN, INC., : Civil Action No. 07-1241 (SAS)(HP)
Plaintiffs/Counter-Defendants, : (Action No. 1)
- against -
ELENA CASTANEDA and EJEWELER LLC d/b/a OVERSTOCKJEWELER.COM, :
Defendants/Counter-Plaintiffs. :
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CARTIER, a division of RICHEMONT NORTH AMERICA, INC., CARTIER INTERNATIONAL, N.V., CARTIER CREATION STUDIO, S.A., VAN CLEEF & ARPELS S.A., VAN CLEEF & ARPELS, INC., VAN CLEEF & ARPELS DISTRIBUTION, INC., GUCCI AMERICA, INC., and BULGARI S.p.A., : Civil Action No. 07-7862 (SAS)(HP)
Plaintiffs, : (Action No. 2)
- against -
ELENA CASTANEDA and EJEWELER LLC d/b/a OVERSTOCKJEWELER.COM, :
Defendants. :
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**DECLARATION OF DAVID YURMAN IN SUPPORT OF
YURMAN STUDIO, INC. AND YURMAN DESIGN, INC.'S
MOTION FOR PARTIAL SUMMARY JUDGMENT**

DAVID YURMAN, pursuant to 28 U.S.C. §1746, declares under penalty of perjury that the following is true and correct to the best of his knowledge:

1. I am the Chairman of the Board of Yurman Studio, Inc. and Yurman Design, Inc. (collectively, "Yurman"). I am also the principal jewelry designer for

Yurman. I make this declaration in support of Yurman's motion for partial summary judgment.

**THE YURMAN BUSINESS AND
THE WORLD FAMOUS DAVID YURMAN BRAND**

2. Yurman Studio, Inc. and Yurman Design, Inc. are both New York corporations that maintain their respective principal places of business at 24 Vestry Street, New York, New York.

3. Yurman is a world famous supplier of fine jewelry and luxury watches sold under the DAVID YURMAN brand.

4. Yurman has been recognized as one of the most innovative jewelry design houses of its time, and is well-known for its unique design work. While Yurman's work is widely admired for its simple, clean lines, each of Yurman's designs contain numerous artistic intricacies, reflecting numerous creative choices, including not only the artistic detail of the components of the particular design, but the manner in which the components inter-relate with each other to create a certain integration or "flow", that runs throughout the piece.

5. Since its inception in 1980, Yurman has set new standards for designing and marketing jewelry, infusing the disciplines of art and fashion into the jewelry making process. Yurman is particularly well-known for the quality of its products, the innovativeness and uniqueness of its designs, and its technological developments in jewelry design.

6. Yurman products are marketed to fashion-conscious consumers and are sold only in Yurman company-owned stores, in authorized specialty retail stores, in authorized

high-end department stores, and through Yurman's own website —

www.davidyurman.com.

YURMAN'S VALUABLE INTELLECTUAL PROPERTY RIGHTS

7. Yurman diligently protects and enforces its most important assets, its intellectual property rights. Over the years, Yurman has regularly registered copyrights in its unique and innovative jewelry and watch designs with the United States Copyright Office. Yurman has also obtained design patents from the United States Patent and Trademark Office covering various novel and non-functional ornamental designs incorporated into certain of its unique and innovative jewelry and watch designs.

8. Currently, Yurman owns over 110 United States copyright registrations covering certain of its individual jewelry designs and collections of jewelry designs. Among the unique and innovative jewelry designs and collections of jewelry designs that Yurman has registered with the United States Copyright Office are those listed in the following chart (collectively referred to as the "Yurman Copyrighted Designs"):

U.S. Copyright Reg. No.	Title of Work	Date of Registration	Date of First Publication	Registered Owner
VA 771-476	Bracelet B06195	February 2, 1999	December 20, 1995	Yurman Studio, Inc.
VA 785-338	Earrings E06190	November 21, 1996	August 16, 1996	Yurman Design, Inc.
VA 1-024-276	Pave Collection Enhancer D06384	August 21, 2000	March 13, 1997	Yurman Design, Inc.
VA 1-024-278	Albion Collection Necklace N06261	August 21, 2000	July 24, 1997	Yurman Design, Inc.
VA 1-024-280	Hampton Collection Enhancer D06377	August 21, 2000	August 13, 1998	Yurman Design, Inc.
VA 1-024-281	Hampton Collection Necklace (N06379)	August 21, 2000	September 29, 1998	Yurman Design, Inc.

U.S. Copyright Reg. No.	Title of Work	Date of Registration	Date of First Publication	Registered Owner
VA 1-094-336	Capri Collection (R06444)	September 7, 2001	June 18, 1999	Yurman Studio, Inc.
VA 1-116-155	“Albion” Collection (E06574)	August 28, 2001	March 23, 2001	Yurman Studio, Inc.
VA 1-282-478	Crossover Collection 2003 (B06773D)	November 6, 2003	January 25, 2003	Yurman Studio, Inc.
VA 1-282-481	Madison Chain Collection 2003 (R06871)	November 6, 2003	July 27, 2003	Yurman Studio, Inc.
VA 1-384-012	Linked Renaissance Collection 2005 (D07344D)	October 28, 2005	March 31, 2005	Yurman Studio, Inc.
VA 1-390-915	Pearl Collection I 2005 (No7056D)	July 26, 2005	May 29, 2004	Yurman Studio, Inc.

9. Yurman also owns United States design patents covering certain novel and non-functional ornamental designs that it incorporates into its unique and innovative jewelry designs, including United States Design Patent No. D371,314 for the ornamental design of a watch bracelet (the “Yurman Design Patent”). The following chart depicts the Yurman Design Patent:

U.S. Patent No.	Claim	Drawing	Date of Patent	Registered Owner
D371,314	The ornamental design for a watch bracelet, as shown and described		July 2, 1996	Yurman Design, Inc.

OVERSTOCK JEWELER’S INFRINGING CONDUCT

10. Overstock Jeweler has been offering for sale and selling jewelry and watch products that deliberately and slavishly copy and infringe the Yurman Copyrighted

Designs and the Yurman Design Patent through its web site —
www.overstockjeweler.com.

11. At the time when Yurman commenced this infringement action against Overstock Jeweler in February 2007, Overstock Jeweler was offering for sale and selling over 150 Yurman knockoff jewelry and watch products, which blatantly infringe Yurman's various intellectual property rights. Remarkably, despite the commencement of this action, the number of Yurman knockoff jewelry and watch products offered through the www.overstockjeweler.com web site has grown to approximately 250 today.

12. Yurman has identified twenty-five jewelry products being offered for sale and sold by Overstock Jeweler that have been obviously (and concededly, according to Overstock Jeweler's own product descriptions) copied from, and are substantially similar in overall appearance to the Yurman Copyrighted Designs. Indeed, each of these Overstock Jeweler products embody the unique and innovative combination of design elements that set the Yurman Copyrighted Designs apart as unique and original jewelry designs.

13. A chart comparing the Yurman Copyrighted Designs and the knockoff jewelry products being offered for sale and sold by Overstock Jeweler makes clear that the Overstock Jeweler products have been slavishly copied from, and capture the total concept and feel of the Yurman Copyrighted Designs.

14. Annexed hereto as Exhibits A - L are certified copies of each of the individual copyright registrations for the Yurman Copyrighted Designs, copies of printouts from www.overstockjeweler.com, which depict each corresponding Overstock Jeweler jewelry product that Yurman alleges infringes the unique and innovative jewelry designs

covered by the Yurman Copyrighted Designs, and a side-by-side comparison of the Yurman Copyrighted Design and the allegedly infringing Overstock Jeweler product.

15. Yurman has also identified a watch bracelet being offered for sale and sold by Overstock Jeweler that is a studied and slavish imitation of the novel and non-functional ornamental watch bracelet design that is the subject of the Yurman Design Patent.

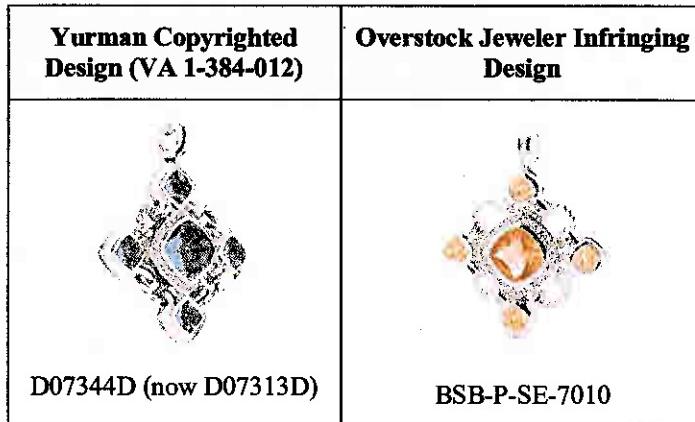
16. A comparison of the design covered by the Yurman Design Patent and the watch bracelet product being offered for sale and sold by Overstock Jeweler shows that the Overstock Jeweler product is identical, or virtually so, to the Yurman Design Patent.

17. Annexed hereto as Exhibit M is a certified copy of the Yurman Design Patent, a copy of a printout from www.overstockjeweler.com, which depicts the Overstock Jeweler watch bracelet product that Yurman alleges infringes the Yurman Design Patent, and a side-by-side comparison of the Yurman Design Patent and the allegedly infringing Overstock Jeweler product.

18. Any attempt by Overstock Jeweler to argue that the products being offered for sale and sold through its web site were not copied from, and were no intended to be substantially indistinguishable from the designs covered by the Yurman Copyrighted Designs and the Yurman Design Patent, is belied by the manner in which Overstock Jeweler markets and promotes its products — namely, as being indistinguishable from and of comparable quality to the genuine Yurman Copyrighted Designs and Yurman Design Patent.

19. One such example, is the manner in which Overstock Jeweler markets and promotes a pendant (Item No. BSB-P-SE-7010) that Yurman alleges infringes its copyright

for a pendant that is part of its famous Linked Renaissance Collection 2005 (VA 1-384-012). The Yurman Copyrighted Design (VA 1-384-012) and the infringing Overstock Jeweler product (Item No. BSB-P-SE-7010) are depicted below:



While it is unquestionable that the Overstock Jeweler item depicted above is substantially similar to the Yurman Copyrighted Design, also depicted above, Overstock Jeweler's own product description only bolsters this conclusion. *See Exhibit K.*

20. Overstock Jeweler refers to Item No. BSB-P-SE-7010 as a "David Yurman Jewelry Inspired Knockoff Renaissance Diamond CZ Pendant", and further describes it as "an imitation of David Yurman's famous Linked Renaissance Collection." Overstock Jeweler, in fact, goes so far as to state in its description of Item No. BSB-P-SE-7010 that "[t]he original piece retails for thousands of dollars and now you can get it for a fraction of the cost." I understand that when asked during her deposition what "original piece" was being referred to in this copy appearing on the Overstock Jeweler website, Ms. Elena Castaneda, the owner of Overstock Jeweler, conceded that the original piece was the Yurman copyrighted pendant. True and correct copies of excerpts from the transcript of Ms. Castaneda's February 8, 2008 deposition are attached hereto as Exhibit N.

21. It is no coincidence that Overstock Jeweler has decided to copy jewelry and watch items from Yurman's ALBION (*see Exhibit H*), CROSSOVER (*see Exhibit I*), and LINKED RENAISSANCE (*see Exhibit K*) collections, among others, as these are some of our most popular and successful collections. Overstock Jeweler wants to hide behind the fact that it describes these items as "Inspired by Yurman" or "Yurman-esque". However, while doing so, time and again, it unwittingly admits to copying these famous designs, which are protected in their own right.

22. As is clear from the above example, Overstock Jeweler exists solely to profit from Yurman's and other internationally recognized jewelry and watch designs. Accordingly, there can be no doubt that Overstock Jeweler is purposefully and willfully infringing the Yurman Copyrighted Designs and the Yurman Design Patent.

OVERSTOCK JEWELER'S COUNTERCLAIM FOR CANCELLATION OF THE YURMAN COPYRIGHTS

23. I have reviewed Overstock Jeweler's counterclaim for cancellation of the Yurman Copyrighted Designs, as well as Overstock Jeweler's production of excerpts from various historical jewelry books, in purported support thereof. Overstock Jeweler alleges that when I designed each of the Yurman Copyrighted Designs, I copied each design from preexisting designs that existed in "substantially the same form", and that I deliberately defrauded the United States Copyright Office when I submitted my copyright applications for the Yurman Copyrighted Designs by failing to bring these preexisting designs, or the fact that I copied them, to the United States Copyright Office's attention.

24. Having never been accused of defrauding the United States Copyright Office before, I instructed my counsel in this litigation to ask Overstock Jeweler to show me what preexisting jewelry designs in "substantially the same form" I allegedly copied

from. In response to this request, Overstock Jeweler has failed to identify a single piece, in the history of jewelry, that contains the unique and innovative combination of design elements that make up each of the Yurman Copyrighted Designs. Moreover, Overstock Jeweler has failed to substantiate any of its defamatory statements regarding my alleged false and fraudulent representations to the United States Copyright Office. The reason for that failure is that these allegations, we have learned, were made up from whole cloth by Defendant Castaneda and her attorney.

25. Indeed, I have been informed that when Yurman's counsel served a document request upon Overstock Jeweler requesting the production of all documents and communications supporting Overstock Jeweler's allegation "that at the time Yurman designed and filed his copyright registrations for the Yurman [Copyrighted Designs], the jewelry designs that are the subject of those registrations were already in existence in substantially the same form", Overstock Jeweler's response to that request was "[n]o documents are currently in Defendants' custody or control." In other words, Ms. Castaneda and her counsel have admitted that when they asserted these counterclaims against Yurman, they had no factual basis to do so, nor could they, since the allegations simply are not true.

26. In fact, I have been informed that at her deposition, when pressed regarding the issue, both Ms. Castaneda and her counsel admitted they still had no documents to substantiate Overstock Jeweler's allegations — allegations made three months earlier.

27. Sometime thereafter, Overstock Jeweler produced some excerpts from various historical jewelry books that supposedly support its counterclaim. I have

reviewed these materials, and have not seen a single piece that is in "substantially the same form" as any of the Yurman Copyrighted Designs, or even remotely close to any of the Yurman Copyrighted Designs.

28. I can personally attest to the lengthy and painstaking process that goes into the creation of every Yurman jewelry design. From initial design sketch to wax model to final production item, Yurman's jewelry designs are painstakingly designed and constructed with the utmost attention to scale, proportion, color combination, and overall appearance. It is only when I am completely satisfied with not only the unique design of each component or element of a new jewelry design, but also how the components work together to make an overall design that is new, fresh, and distinct from anything else that Yurman has previously done, that a new item is released for production.

29. To be clear, I do not claim to separately own each and every design element that I use in my creations — but I do claim to own the unique combination of elements that I have designed so successfully for so many years. And, although over the years, I have had to deal with many knockoff sellers like Ms. Castaneda, never has anyone so blatantly and openly copied my original designs and then defended an infringement suit by claiming that I was the copier and the one committing fraud.

DECLARED UNDER PENALTY OF PERJURY THIS 11 DAY OF JUNE, 2008.

A handwritten signature in black ink, appearing to read "Daniel Yurman". The signature is fluid and cursive, with a prominent "D" at the beginning.